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Memorandum From the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to Secretary of State Kissinger, Washington, August 3, 1976

Shlaudeman reported to Kissinger that the military regimes of the Southern Cone had coordinated intelligence activities, including finding and killing subversives located in their countries and Europe.

Sources: National Archives, RG 59, Central Foreign Policy Files, P760138-0562. Secret; Noforn. Drafted by Proper and Luers on August 2.

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In telegram 178852 to all American Republic diplomatic posts, July 20, the Department transmitted an INR report on the possibility of an intergovernmental assassination plot involving Southern Cone security forces; the report concluded that "the evidence supporting such speculation is scanty." (National Archives, RG 59, Central Foreign Policy Files) (S)

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DEPARTMENT OF STATE

Washington, D.C. 20520

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TO: The Secretary

FROM: ARA - Harry W. Shlaudeman

ARA Monthly Report (July)

The "Third World War" and South America

The military regimes of the southern cone of South America see themselves as embattled:

-- on one side by international Marxism and its terrorist exponents, and

-- on the other by the hostility of the uncomprehending industrial democracies misled by Marxist propaganda.

In response they are banding together in what may well become a political bloc of some cohesiveness. But, more significantly, they are joining forces to eradicate "subversion", a word which increasingly translates into non-violent dissent from the left and center left. The security forces of the southern cone

-- now coordinate intelligence activities closely;

-- operate in the territory of one another's countries in pursuit of "subversives";

-- have established Operation Condor to find and kill terrorists of the "Revolutionary Coordinating Committee" in their own countries and in Europe. Brazil is cooperating short of murder operations.

This siege mentality shading into paranoia is perhaps the natural result of the convulsions of recent years in which the societies of Chile, Uruguay and Argentina have been badly shaken by assault from the extreme left. But the military leaders, despite near decimation of the Marxist left in Chile and Uruguay, along with accelerating progress toward that goal in Argentina, insist that the threat remains and the war must go on. Some talk of the "Third World War", with the countries of the southern cone as the last bastion of Christian civilization.

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Somewhat more rationally,

-- they consider their counter-terrorism every bit as justified as Israeli actions against Palestinian terrorists; and

-- they believe that the criticism from democracies of their war on terrorism reflects a double standard.

The result of this mentality, internally, is to magnify the isolation of the military institutions from the civilian sector, thus narrowing the range of political and economic options.

The broader implications for us and for future trends in the hemisphere are disturbing. The use of bloody counter-terrorism by these regimes threatens their increasing isolation from the West and the opening of deep ideological divisions among the countries of the hemisphere. An outbreak of PLO-type terrorism on a worldwide scale in response is also a possibility. The industrial democracies would be the battlefield.

This month's trends paper attempts for the first time to focus on long-term dangers of a right-wing bloc. Our initial policy recommendations are:

-- To emphasize the differences between the six countries at every opportunity.

-- To depoliticize human rights.

-- To oppose rhetorical exaggerations of the "Third-World-War" type.

-- To bring the potential bloc-members back into our cognitive universe through systematic exchanges.

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Security Cooperation is a Fact

There is extensive cooperation between the security/intelligence operations of six governments: Argentina, Brazil, Bolivia, Chile, Paraguay, and Uruguay. Their intelligence services hold formal meetings to plan "Operation Condor." It will include extensive FBI-type exchanges of information on shady characters. There are plans for a special communications network. These details are still secret, but broad security cooperation is not. Officials in Paraguay and Argentina have told us that they find it necessary to cooperate with each other and their neighbors against internationally-funded terrorists and "subversives."

The problem begins with the definition of "subversion" -- never the most precise of terms. One reporter writes that subversion "has grown to include nearly anyone who opposes government policy." In countries where everyone knows that subversives can wind up dead or tortured, educated people have an understandable concern about the boundaries of dissent. The concern doubles when there is a chance of persecution by foreign police acting on indirect, unknown information. Numerous Uruguayan refugees have been murdered in Argentina, and there are widespread accusations that Argentine police are doing their Uruguayan colleagues a favor. These accusations are at least credible, whether or not they are exact.

The Nature of the Left-Extreme Threat : A "Third World War"?

Uruguayan Foreign Minister Blanco -- one of the brighter and normally steadier members of the group -- was the first to describe the campaign against terrorists as a "Third World War." The description is interesting for two reasons:

-- It justifies harsh and sweeping "wartime" measures.

-- It emphasizes the international and institutional aspect, thereby justifying the exercise of power beyond national borders.

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The threat is not imaginary. It may be exaggerated. This is hard to suggest to a man like Blanco, who believes -- probably correctly -- that he and his family are targeted. One must admire his personal courage.

Even by objective standards, the terrorists have had substantial accomplishments over the years:

-- At one time or other, urban and rural guerrillas have created severe problems for almost every South American government, including those where democracy is still surviving.

-- They have provoked repressive reactions, including torture and quasi-governmental death squads. (The guerrillas typically claimed to welcome repression, but we wonder if they really like what they got.)

-- They still pose a serious threat in Argentina and -- arguably -- a lesser problem in two or three other countries.

-- There is a terror-oriented "Revolutionary Coordinating Junta", possibly headquartered in Paris, which is both a counterpart of and an incentive for cooperation between governments.

Nevertheless, it is also true that, broadly speaking, both terrorists and the peaceful left have failed. This is true even in the minds of studious revolutionaries. Che Guevara's romantic fiasco crushed hopes for rural revolution. Allende's fall is taken (perhaps pessimistically) as proving that the electoral route cannot work. Urban guerrillas collapsed in Brazil with Carlos Marighela and in Uruguay with the Tupamaros. The latter represented a high-water mark. Their solid, efficient structure posed a real wartime threat. Probably the military believe that torture was indispensable to crack this structure.

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There is still a major campaign in Argentina. We expect the military to pull up their socks and win. They have precedents to guide them, and the terrorists have no handy refuge in neighboring countries.

What will remain is a chain of governments, started by Brazil in 1964, whose origin was in battle against the extreme left. It is important to their ego, their salaries, and their equipment-budgets to believe in a Third World War. At best, when Argentina stabilizes, we can hope to convince them that they have already won. The warriors will not like this. They already snicker at us for being worried about kid stuff like drug-smuggling when there is a real military campaign going on. They accuse us of applauding the defeat of terrorism in Entebbe but not in Montevideo. Our differing perceptions of the threat are raising suspicions about our "reliability."

What the Right-Wing Regimes Have in Common

These governments are reactive: they derived their initial legitimacy from a reaction against terrorism, left-extremism, instability, and (as they see it) Marxism. Thus, "anti-Marxism" is a moral and political force.

There is also an ideology that is more positive in origin: that of national development.

-- The vision of nation has been as effective in South America as it was in Europe. (It may yet turn out to be as destructive; this paper looks only briefly at the potential for conflicts between Latin nations and blocs.) Military establishments, traditional protectors of boundaries and national integrity, are in a position to profit from the new nationalism.

-- Economic development is a pressing need and a public demand. Disciplined military establishments can work with technocrats to produce economic development. In the countries we are considering, the military is always the strongest national institution -- sometimes

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almost the only one. It has, typically, saved the nations from civilian chaos.

National developmentalism is therefore real medicine, closer to most citizens then trendy left or right-wing causes. To this extent, military power can find a popular base.

National developmentalism has obvious and bothersome parallels to National Socialism. Opponents of the military regimes call them fascist. It is an effective pejorative, the more so because it can be said to be technically accurate. But it is a pejorative. These days, to call a man fascist is not primarily to describe his economic views.

In practice, the military regimes tend to be full of the same inconsistencies that characterize non-military, pragmatic, non-ideological regimes.

-- Local political institutions are (reasonably) considered to have been a failure, and it is suggested that "democracy doesn't work for us." Leaders want to build more efficient institutions, to organize their societies entirely differently. Yet there is, at some level of consciousness, an acceptance that democracy is the ideal eventually to be sought.

-- No other institution is allowed to challenge military power, yet political parties and courts often exist and perform some valid functions. Brazil's toothless parliament, for example, does cautiously articulate public opinion and provide a dormant alternative to military rule.

-- Insecure, repressive governments nevertheless allow substantial "democratic" freedoms, including varying degrees of freedom of expression. The ambiente is more like Washington than Moscow. You can buy a good newspaper, a pair of decadently-flowered blue jeans, a girlie magazine, or a modern painting.

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-- These military regimes do not expect to last forever. There is no thought of a Thousand-Year Reich, no pretense of having arrived at ultimate Marxist-style truth.

From the standpoint of our policy, the most important long-term characteristic of these regimes may be precisely that they are reversible, in both theory and practice. They know it. But they do not know what to do about it. Political and social development lag. Long after left-wing threats are squashed, the regimes are still terrified of them. Fighting the absent pinkos remains a central goal of national security. Threats and plots are discovered. Some "mistakes" are made by the torturers, who have difficulty finding logical victims. Murder squads kill harmless people and petty thieves. When elections are held, the perverse electorate shows a desire to put the military out of power. Officers see the trend ending with their own bodies on the rack.

No more elections for a while.

We do not suggest that there is a hopelessly vicious circle. Since some of these regimes are producing really solid economic successes. The officers may eventually trust civilians to succeed them and provide an honorable exit. So far, the military has found it easier to ride the tiger than to dismount. When an alternative government eventually has to be found, it might be that the only one available will be at the far left.

But There Are Also Leading Differences.

In discussing the general characteristics of the southern military regimes, we have made some indefensibly broad generalizations. The following is an attempt to correct the worst distortions, country-by-country. It is important to be clear about the differences because, for reasons we shall develop later, our policy should be to emphasize what the countries do not have in common rather than what they do.

The front-burner cases are Argentina, Chile, and Uruguay.

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Argentina is the most interesting, both because it is important and because the directions of the new regime are not clear. The Argentines are politically sophisticated like the Brazilians, but unlike the Brazilians, the Argentines lack social and even military unity. To recover economically, they must break the power of traditional structures, and especially of the labor movement. There is also a genuine challenge from left-wing terrorists and right-wing counter-terror. The problem approaches civil-war dimensions. We believe that the Brazilian model will prevail. In the long run, thus, we think the military will win. Videla -- or his successor -- will have more trouble with hard-line military officers and right-wing terror than with the left. Forces probably connected to the regime have already been killing exiles and priests, among others.

Chile has been the subject of so much action lately that you probably do not need to hear any more. The Chileans have smashed the Left almost as thoroughly as the Brazilians, but the repressive apparatus is much more unrestrained. There is no one at the top like Geisel who even seems to wish to moderate human-rights abuses. The Santiago regime provides the archetype of the reasoning that criticism of torture can come only from international Marxist plotters. The military seem particularly insecure and isolated, even with respect to the Chilean public.

Uruguay is the third pressing case (with Argentina and Chile). Foreign Minister Blanco was the first to talk about the "Third World War," and he still insists that the threat continues high in his country. Given this picture, Uruguay is, of course, eager to coopérate with its neighbors in defensive measures. Nevertheless, unlike the Chileans, the Uruguayans have maintained some sense of proportion about human rights and international public opinion. Civilians are up front in the government, give the military substantial support, and interact relatively well.

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Brazil: We can and should relate to Brazil as an emerging world power rather than as a trouble-spot. Yet its 1964 "revolution" is the basic model for its neighbors. The biggest problem is that, despite remarkable successes, the Brazilian armed services still cannot find a way to relax their hold on power. On the other hand, they are not much worried about it. They have been able to tap civilian talent for economic purposes. The Left is smashed, but it is not clear whether the President can control the zeal of his security forces. Attempts at political distensão have largely flopped. (The word carries both the English sense of "distending", or enlarging authority from a narrow military base, and the French sense of "relaxing". Better than detente?) Brazil, like the other large countries, does see itself as a world actor, and this inhibits extremism.

Bolivia is an interesting case but not a hot problem. This is the scene of one of the three genuine social revolutions in Latin America -- which makes it all the more puzzling that Che Guevara thought he had a contribution to make. Despite his failure, he left lasting worries. The Bolivians still consider that Che's death makes them a target of revenge for international terrorists. We cannot quite perceive the same menace. In Bolivian terms, the government is notably stable and economically successful. It has been moderate on human rights.

Paraguay is marching to the same tune as its neighbors but is a mile behind. This is the kind of nineteenth-century military regime that looks good on the cartoon page. Paraguay, however, has eminently sound reasons for being backward and is not in the least apologetic. The Paraguayans remember that, in the Chaco War, they fought off the massively superior armed forces of three neighbors for a ridiculously long time. Pride was saved, if nothing else. There is no democratic tradition whatever. The government has reacted to fear of the left rather than the kind of specific challenge posed in the other countries.

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A Political Bloc In Formation?

If police-type cooperation evolves into formation of a political bloc, our interests will be involved in ways that are new for South America. Such a bloc is not here yet. The conditions for its formation are largely present:

-- The conviction that an international leftist threat amounts to a "World War" and hence requires an alliance.

-- Highly compatible philosophies and political objectives in other respects.

-- Improved transport and communication between neighboring countries, which previously had better links with the U.S. and Europe than with each other.

-- A suspicion that even the U.S. has "lost its will" to stand firm against communism because of Viet-Nam, detente, and social decay.

-- Resentment of human-rights criticism, which is often taken as just one more sign of the commie encirclement.

-- Exclusion by the military of the civilian, democratic interplay which helps to maintain a sense of proportion.

There are a few inhibitions on formation of a bloc. Nationalistic thinking is the obvious one. Traditional feuds have largely shaped the sense of nation. With the exception of the Peru/Chile tension, however, border disputes are no longer an overriding factor in the southern cone.

To predict a political bloc would still be speculative. Commonsense could assert itself. There is plenty of it available in these countries and even some in their armies. We do think that the trend toward bloc thinking is present, clear, and troublesome.

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If a Bloc Does Form. . .

In the early stages, we will be a "casual beneficiary" (as one reporter puts it) for reasons that are too obvious to need elaboration here. On the main East-West stage, right-wing regimes can hardly tilt toward the Soviets and Cubans. The fact that we are an apparent beneficiary can easily lull us into trouble, as has historically been the case in this hemisphere.

But we would expect a range of growing problems. Some are already with us. Internationally, the Latin generals look like our guys. We are especially identified with Chile. It cannot do us any good. Europeans, certainly, hate Pinochet & Co. with a passion that rubs off on us.

More problems are on the schedule:

-- Human rights abuses, as you know, are creating more and more problems of conscience, law, and diplomacy.

-- Chile's black-sheep status has already made trouble for its economic recovery. The farther to the right the drift goes in other countries, the more difficulties we can expect in our economic links with them.

-- We would like to share with, say, the Brazilians a perception that we are natural allies. Brazilian participation in a right-wing bloc would make this unlikely.

-- Eventually, we could even see serious strains with the democracies farther north. Orfila has told us that he thinks a confrontation is possible. Uruguay and Venezuela have just broken relations over an incident involving political asylum. A precedent?

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Over the horizon, there is a chance of serious world-scale trouble. This is speculative but no longer ridiculous. The Revolutionary Coordinating Junta now seems to have its headquarters in Paris, plus considerable activity in other European capitals. With terrorists being forced out of Argentina, their concentration in Europe (and possibly the U.S.) will increase.

The South American regimes know about this. They are planning their own counter-terror operations in Europe. Argentina, Chile, and Uruguay are in the lead; Brazil is wary but is providing some technical support.

The next step might be for the terrorists to undertake a worldwide attack on embassies and interests of the six hated regimes. The PLO has shown the way. We can picture South American activities on a comparable scale, again using the industrial democracies as a battlefield. The impossibility of peaceful change will radicalize exiles who might, in earlier days, have looked forward to returning home peacefully.

Our Response: How to End the Third World War.

Till now, though we have tried to exercise a moderating influence, we have not taken a long-term strategic view of the problems that a right-wing bloc would create. This paper has tried for a sharper focus. We shall have more recommendations in months to come, but the following are a fair start:

1) Distinguish between countries with special care. If we treat them as a whole, we will be encouraging them to view themselves as an embattled bloc. In our dealings with each country and in Congressional testimony, we should, for example, reflect recognition that:

-- Argentina, with its virtual civil war, faces a problem much different from its neighbors.

-- Uruguay, with its substantial remnants of military/civilian interplay, is not comparable to Chile.

-- Brazil has the weight, sophistication, and world- perspective to share many of our concerns.

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Our military-sales programs may also provide an opportunity for distinction. Aid no longer provides significant leverage. There is vast interest in overall economic relations -- but not much freedom of movement.

2) Try to get the politics and ideology out of human rights. This objective will be hard to reconcile with the equally pressing need to multilateralize our concern. To avoid charges of "intervention," we must increasingly work through the Inter-American Human Rights Commission. The countries that support us there, however, will tend to be democracies (and perhaps one or two radical Caribbean governments). Right-wing regimes will feel besieged. Ideally, we should keep one or more of them with us. If that is impossible (as now seems likely), we should take special care to make clear that authoritarian regimes of the right have no monopoly on abuses. (Your Santiago speech had the right balance).

3) Oppose Rhetorical exaggerations -- there and here.

-- Make clear in our South American dealings that the "Third World War" idea is overdrawn and leads to dangerous consequences.

-- In Congressional testimony here, stress that the threat is real for a country like Argentina.

4) Bring them back to our cognitive universe. But how? Our Embassy in La Paz has recommended that we exchange intelligence briefings with the Bolivians. This might provide a way to reach suspicious military officers and work on their "Third World War" syndrome. But there are hazards. We would fail to produce information sustaining their thesis, and they might conclude that we were badly informed or uncooperative. Instead, we think we should work on systematic mid-level exchanges -- something more than exchanges of information on terrorists. We need to achieve a perception that neither detente nor distensão is a threat to the legitimacy of friendly regimes.

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In time, perhaps we can convince them that a Third World War is undesirable.

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